

United States Department of the Interior

TAKE PRIDE

BUREAU OF LAND MANAGEMENT

Winnemucca Field Office 5100 East Winnemucca Boulevard Winnemucca, Nevada 89445 http://www.nv.blm.gov

In Reply Refer To: 3715 (NV023.60) 3809 N79868 N20-05-001U

CERTIFIED MAIL 7005 3110 0000 7727 4671 RETURN RECEIPT REQUESTED

DECISION

3715 Case File Number : Project N20-05-001U Ashdown

:

<u>Operator</u> <u>Location</u>

Golden Phoenix Minerals, Inc. : Section(s) 14, T45N, R29E, Attn: Mr. Robert Martin : Section(s) 13, 23, T45N, R28E,

Executive Vice President : MDB&M

1675 Prater Way, Suite 102

Sparks, NV 89434 :

43 CFR 3715 Surface Occupancy Regulations Occupancy Approved

Dear Mr. Martin:

The Winnemucca Field Office has reviewed the Plan of Operations (N79868) that was submitted on March 22, 2005, and amended on June 21, 2006. Environmental Assessment Number NV-020-06-EA-014 was prepared and offered for public comment from June 2 through July 6, 2006.

One substantive comment letter was received from the Nevada Department of Wildlife. A Finding of No Significant Impact and Decision Record were prepared and have been signed.

The project proposes to use conventional underground mining techniques to remove up to 40,000 tons of waste rock and 120,000 tons of molybdenum ore. The mine is expected to produce about 700 tons of ore per week and would be mined for approximately five years. The ore will be hauled approximately two miles to the west of the mine and processed in a flotation mill on private land. Surface disturbance related to the project would be up to approximately 31 acres on both public and private land.

We have determined that your proposed occupancy will meet the requirements of §§ 3715.2, 3715.2-1, and 3715.2-2. It is the decision of the authorized officer to allow Golden Phoenix Minerals, Inc to proceed with the proposed project occupancy and use as described in the Plan of Operations, subject to the following stipulations:

- 1. No work is authorized under the plan of operations until Golden Phoenix Minerals, Inc has complied with all other applicable state, federal, and local regulations and have obtained all necessary permits.
- 2. Activities approved in this decision shall not begin until the BLM Nevada State Office issues a decision accepting the reclamation financial guarantee. The reclamation cost estimate for the plan of operation activities is \$216,518 as accepted by the BLM in the decision letter dated October 4, 2006.
 - 3. You must continue to comply with §§ 3715.2, 3715.2-1 and 3715.5.
- 4. You must not modify the exterior of the historic bunkhouse and the small wood building next to the sheet metal building. If you make changes to the interior of either of these buildings, they must be made with similar materials and hold to the character of the original building design and form. At the completion of the project, the two historic buildings must be left intact and all items stored within removed and disposed of properly.

43 CFR 3715 APPEAL STATEMENT

If you do not agree and are adversely affected by this decision you have the right to appeal to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations at 43 CFR 4.400. The appellant has the burden of establishing that there were factual or procedural errors in the decision being appealed. If an appeal is taken, you must follow the procedures outlined in the enclosed Form 1842-1, Information on Taking Appeals to the Board of Land Appeals. If an appeal is taken, your notice of appeal must be filed in this office (Winnemucca Field Office BLM, 5100 E. Winnemucca Blvd., Winnemucca, NV 89445) within 30 days of your receipt of this decision. Form 1842-1 describes other filings that you must also provide.

If you have any questions, feel free to contact Scott Richey at (775) 623-1525 or at the above address. We have enclosed a copy of Form 1842-1 which you must follow if you decide to appeal this decision.

Sincerely,

Gail G. Givens Field Manager

Enclosure

cc: State Director (NV-920)

Mr. Richard Gantt Permit Writer Department of Conservation and Natural Resources Division of Environmental Protection 901 S. Stewart St., Suite 4001 Carson City, NV 89701-5249

Mr. Kris Urquhart Biologist, Habitat Bureau Nevada Department of Wildlife 380 West B Street Fallon, NV 89406